

JS 44 (Rev. 04/21)

**CIVIL COVER SHEET**

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

**I. (a) PLAINTIFFS**

Commonwealth of Pennsylvania By Michelle A. Henry,  
Attorney General

(b) County of Residence of First Listed Plaintiff Pennsylvania  
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number)

Michelle A. Henry - Attorney General, 1600 Arch Street  
Suite 300, Philadelphia, PA 19103

**DEFENDANTS**

Prospect Medical Holdings, Inc., Prospect Crozer, LLC,  
Leonard Green and Partners, Samuel Lee, David Topper

County of Residence of First Listed Defendant Los Angeles, California  
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF  
THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

Luke McLoughlin - Duane Morris LLP, 30 South 17th Street  
Philadelphia, PA 19103, 215-979-1000 (for Prospect parties)

**II. BASIS OF JURISDICTION** (Place an "X" in One Box Only)

- ☐ 1 U.S. Government Plaintiff
- ☐ 2 U.S. Government Defendant
- ☐ 3 Federal Question (U.S. Government Not a Party)
- ☒ 4 Diversity (Indicate Citizenship of Parties in Item III)

**III. CITIZENSHIP OF PRINCIPAL PARTIES** (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- |   | PTF                                   | DEF                        |   | PTF                        | DEF                                   |
|---|---------------------------------------|----------------------------|---|----------------------------|---------------------------------------|
| Citizen of This State                   | <input checked="" type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business In This State     | <input type="checkbox"/> 4 | <input type="checkbox"/> 4            |
| Citizen of Another State                | <input type="checkbox"/> 2            | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business In Another State | <input type="checkbox"/> 5 | <input checked="" type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3            | <input type="checkbox"/> 3 | Foreign Nation  | <input type="checkbox"/> 6 | <input type="checkbox"/> 6            |

**IV. NATURE OF SUIT** (Place an "X" in One Box Only)

Click here for: [Nature of Suit Code Descriptions.](#)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES	
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excludes Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input checked="" type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	<b>PERSONAL INJURY</b> <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury - Medical Malpractice	<input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 367 Health Care/Pharmaceutical Personal Injury Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability <b>PERSONAL PROPERTY</b> <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 690 Other <b>LABOR</b> <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Management Relations <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 751 Family and Medical Leave Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Employee Retirement Income Security Act <b>IMMIGRATION</b> <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 465 Other Immigration Actions	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 <b>INTELLECTUAL PROPERTY RIGHTS</b> <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 835 Patent - Abbreviated New Drug Application <input type="checkbox"/> 840 Trademark <input type="checkbox"/> 880 Defend Trade Secrets Act of 2016 <b>SOCIAL SECURITY</b> <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) <b>FEDERAL TAX SUITS</b> <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 375 False Claims Act <input type="checkbox"/> 376 Qui Tam (31 USC 3729(a)) <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit (15 USC 1681 or 1692) <input type="checkbox"/> 485 Telephone Consumer Protection Act <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 896 Arbitration <input type="checkbox"/> 899 Administrative Procedure Act/Review or Appeal of Agency Decision <input type="checkbox"/> 950 Constitutionality of State Statutes
<b>REAL PROPERTY</b> <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	<b>CIVIL RIGHTS</b> <input type="checkbox"/> 440 Other Civil Rights <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 448 Education	<b>PRISONER PETITIONS</b> <b>Habeas Corpus:</b> <input type="checkbox"/> 463 Alien Detainee <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <b>Other:</b> <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition <input type="checkbox"/> 560 Civil Detainee - Conditions of Confinement			

**V. ORIGIN** (Place an "X" in One Box Only)

- ☐ 1 Original Proceeding
- ☒ 2 Removed from State Court
- ☐ 3 Remanded from Appellate Court
- ☐ 4 Reinstated or Reopened
- ☐ 5 Transferred from Another District (specify)
- ☐ 6 Multidistrict Litigation - Transfer
- ☐ 8 Multidistrict Litigation - Direct File

**VI. CAUSE OF ACTION**

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):  
28 U.S.C. § 1332

Brief description of cause:  
Breach of contract

**VII. REQUESTED IN COMPLAINT:**

☐ CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P.

DEMAND \$  
\$550 million+

CHECK YES only if demanded in complaint:  
JURY DEMAND: ☐ Yes ☒ No

**VIII. RELATED CASE(S) IF ANY**

(See instructions):

JUDGE

DOCKET NUMBER

DATE  
Oct 31, 2024

SIGNATURE OF ATTORNEY OF RECORD

*Luke McLoughlin*

FOR OFFICE USE ONLY

RECEIPT # \_\_\_\_\_ AMOUNT \_\_\_\_\_ APPLYING IFP \_\_\_\_\_ JUDGE \_\_\_\_\_ MAG. JUDGE \_\_\_\_\_

10/2024

**UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

**DESIGNATION FORM**

Place of Accident, Incident, or Transaction: Delaware County, PA

**RELATED CASE IF ANY:** Case Number: \_\_\_\_\_ Judge: \_\_\_\_\_

- |   |                              |
|---|------------------------------|
| 1. Does this case involve property included in an earlier numbered suit?  | Yes <input type="checkbox"/> |
| 2. Does this case involve a transaction or occurrence which was the subject of an earlier numbered suit?                              | Yes <input type="checkbox"/> |
| 3. Does this case involve the validity or infringement of a patent which was the subject of an earlier numbered suit?                 | Yes <input type="checkbox"/> |
| 4. Is this case a second or successive habeas corpus petition, social security appeal, or pro se case filed by the same individual?   | Yes <input type="checkbox"/> |
| 5. Is this case related to an earlier numbered suit even though none of the above categories apply?<br>If yes, attach an explanation. | Yes <input type="checkbox"/> |

I certify that, to the best of my knowledge and belief, the within case ☐ is / ☒ **is not** related to any pending or previously terminated action in this court.

**Civil Litigation Categories**

**A. Federal Question Cases:**

- ☐ 1. Indemnity Contract, Marine Contract, and All Other Contracts)
- ☐ 2. FELA
- ☐ 3. Jones Act-Personal Injury
- ☐ 4. Antitrust
- ☐ 5. Wage and Hour Class Action/Collective Action
- ☐ 6. Patent
- ☐ 7. Copyright/Trademark
- ☐ 8. Employment
- ☐ 9. Labor-Management Relations
- ☐ 10. Civil Rights
- ☐ 11. Habeas Corpus
- ☐ 12. Securities Cases
- ☐ 13. Social Security Review Cases
- ☐ 14. Qui Tam Cases
- ☐ 15. Cases Seeking Systemic Relief **\*see certification below\***
- ☐ 16. All Other Federal Question Cases. (Please specify): \_\_\_\_\_

**B. Diversity Jurisdiction Cases:**

- ☐ 1. Insurance Contract and Other Contracts
- ☐ 2. Airplane Personal Injury
- ☐ 3. Assault, Defamation
- ☐ 4. Marine Personal Injury
- ☐ 5. Motor Vehicle Personal Injury
- ☐ 6. Other Personal Injury (Please specify): \_\_\_\_\_
- ☐ 7. Products Liability
- ☒ 8. All Other Diversity Cases: (Please specify) Breach of Contract

I certify that, to the best of my knowledge and belief, that the remedy sought in this case ☒ **does** / ☐ **does not** have implications beyond the parties before the court and ☐ **does** / ☒ **does not** seek to bar or mandate statewide or nationwide enforcement of a state or federal law including a rule, regulation, policy, or order of the executive branch or a state or federal agency, whether by declaratory judgment and/or any form of injunctive relief.

**ARBITRATION CERTIFICATION (CHECK ONLY ONE BOX BELOW)**

I certify that, to the best of my knowledge and belief:



Pursuant to Local Civil Rule 53.2(3), this case is not eligible for arbitration either because (1) it seeks relief other than money damages; (2) the money damages sought are in excess of \$150,000 exclusive of interest and costs; (3) it is a social security case, includes a prisoner as a party, or alleges a violation of a right secured by the U.S. Constitution, or (4) jurisdiction is based in whole or in part on 28 U.S.C. § 1343.



None of the restrictions in Local Civil Rule 53.2 apply and this case is eligible for arbitration.

NOTE: A trial de novo will be by jury only if there has been compliance with F.R.C.P. 38.

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

COMMONWEALTH OF PENNSYLVANIA  
By MICHELLE A. HENRY, Attorney  
General,

Plaintiff,

v.

PROSPECT MEDICAL HOLDINGS, INC.,  
PROSPECT CROZER, LLC, LEONARD  
GREEN AND PARTNERS, SAMUEL LEE,  
Individually, and DAVID TOPPER,  
Individually,

Defendants.

Case No.:

**DEFENDANTS' NOTICE OF  
REMOVAL OF CIVIL ACTION TO  
THE UNITED STATES DISTRICT  
COURT**

[Removed from the Delaware County  
Court of Common Pleas, Case No. CV-  
2024-009428]

Complaint Filed: October 28, 2024

**DEFENDANTS PROSPECT MEDICAL HOLDINGS, INC. AND PROSPECT CROZER,  
LLC'S NOTICE OF REMOVAL**

Defendants Prospect Medical Holdings, Inc. and Prospect Crozer, LLC ("Prospect Defendants") file this notice to remove this action to the United States District Court for the Eastern District of Pennsylvania pursuant to 28 U.S.C. § 1332, 1441, and 1446. Plaintiff originally filed this action in the Delaware County Court of Common Pleas, Case No. 2024-009428.

**TO THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF PENNSYLVANIA AND TO PLAINTIFF AND ITS COUNSEL OF RECORD:**

**PLEASE TAKE NOTICE** that Defendants Prospect Medical Holdings, Inc. and Prospect Crozer, LLC (“Prospect Defendants”), hereby remove the above-captioned case from the Delaware County Court of Common Pleas to the United States District Court for the Eastern District of Pennsylvania, on the basis of diversity jurisdiction under 28 U.S.C. § 1332.

**I. BACKGROUND**

1. On October 28, 2024, Plaintiff, the Commonwealth of Pennsylvania, acting through its Attorney General, Michelle A. Henry, filed a complaint in the Delaware County Court of Common Pleas claiming, among other things, that the Prospect Defendants had breached obligations under a 2016 Asset Purchase Agreement to which the Commonwealth is not a party. *See Exhibit A* (“Compl.”).

2. Plaintiff brings claims against the Prospect Defendants as well as Defendants Samuel Lee, David Topper, and Leonard Green & Partners (collectively, “Co-Defendants”), for breach of contract (Count I), negligent misrepresentation (Count II), unjust enrichment (Count III), and breach of fiduciary duty (Count V).

3. Plaintiff also seeks a constructive trust (Count IV), the revocation of a corporate franchise and appointment of a receiver (Count VI), and funding to support transition to a nonprofit successor (Count VII).

4. Upon information and belief, none of the Co-Defendants have been properly served.

5. As such, the Prospect Defendants need not obtain Co-Defendants’ consent to the removal of this action. *See* 28 USC § 1446(b)(2)(A).



6. As required by 28 U.S.C. § 1446(a), a copy of all other process, pleading, and orders are attached as **Exhibits B** and **C**.

## **II. TIMELINESS OF REMOVAL**

7. This Notice of Removal is timely filed as the Complaint was filed less than 30 days ago and Defendants have not yet been properly joined and served with the Complaint. *See* 28 U.S.C. § 1446(b)(1) & (b)(3).

8. In removing this action, the Prospect Defendants do not waive any rights or defenses to which they are otherwise entitled, including but not limited to those set forth in Federal Rules of Civil Procedure 12(b), 13, 26, 33 and 34, and all defenses available under Pennsylvania law and its procedural rules.

## **III. DIVERSITY OF CITIZENSHIP**

9. Removal is appropriate pursuant to 28 U.S.C. §§ 1332, 1441 and 1446 because complete diversity exists between Plaintiff and the Defendants and the alleged amount in controversy exceeds \$75,000.

### **A. Complete Diversity of Citizenship Exists**

10. Plaintiff is a citizen of Pennsylvania. Compl. ¶ 3.

11. Defendant Prospect Medical Holdings, Inc. is a Delaware Corporation with its principal place of business located in California. *Id.* ¶ 4. Therefore, it is a citizen of Delaware and California for diversity purposes.

12. Defendant Prospect Crozer, LLC is a Pennsylvania liability company with its principal place of business in Pennsylvania. Compl. ¶ 5.

13. However, the state of organization and the principal place of business of a limited liability company and other unincorporated associations “are legally irrelevant” for determining

their citizenship. *Lincoln Ben. Life Co. v. AEI Life, LLC*, 800 F.3d 99, 105 (3d Cir. 2015) (citing *Carden v. Arkoma Associates*, 494 U.S. 185, 192 (1990)).

14. Instead, the citizenship of an unincorporated association is determined by the citizenship of its members. *Id.*

15. Defendant Prospect Crozer, LLC has one member, Prospect Penn, LLC.

(a) Prospect Penn, LLC has one member, Prospect Medical Holdings, Inc.

(b) Again, Prospect Medical Holdings, Inc. is citizen of Delaware and California.

16. Therefore, Prospect Crozer, LLC is a citizen of Delaware and California.

17. Upon information and belief, Defendant Samuel Lee resides in and is a citizen of California.

18. Upon information and belief, Defendant David Topper resides in and is a citizen of California.

19. Upon information and belief, no member of Defendant Leonard Green & Partners is a citizen of Pennsylvania.

20. Therefore, none of the Defendants are Pennsylvania citizens.

21. Accordingly, complete diversity exists between the parties.

**B. The Amount in Controversy Alleged Exceeds \$75,000**

22. Pursuant to 28 U.S.C. § 1332, this Court has original jurisdiction of all civil actions where the matter in controversy exceeds the sum or value of \$75,000, exclusive of interests and costs, and is between citizens of different states.

23. Although Prospect Defendants deny any and all liability, the Complaint's alleged damages include requiring Prospect Defendants to fund certain ongoing operating costs for a major hospital system, along with requiring Co-Defendants to pay back "dividends received to be used

proportionally by Pennsylvania, Connecticut, Rhode Island, and California to fund health care initiatives . . . ” (see Compl.’s Prayer for Relief), which Plaintiff alleges amounts to “at least \$90 million[.]” See Compl. ¶ 26.

24. Additionally, Plaintiff seeks damages related to its costs of investigation and attorneys’ fees incurred in this matter. See Compl.’s Prayer for Relief.

25. Accordingly, if liability is imposed and damages are awarded in this case (which the Prospect Defendants contest), the damages Plaintiff will seek will exceed \$75,000.

#### **IV. VENUE**

26. Venue lies in the United States District Court for the Eastern District of Pennsylvania pursuant to 28 U.S.C. §§ 1441, 1446(a).

27. This action originally was brought in the Delaware County Court of Common Pleas, which is located in this District.

28. Therefore, it is properly removed to this District.

#### **V. NOTICE OF REMOVAL TO STATE COURT AND TO PLAINTIFF**

29. This Notice of Removal will be promptly served on Plaintiff and filed with the clerk of the Delaware County Court of Common Pleas, as required under 28 U.S.C. § 1446(d).

#### **VI. PRAYER FOR REMOVAL**

30. **WHEREFORE**, Prospect Defendants pray that this civil action be removed from the Delaware County Court of Common Pleas to the United States District Court for the Eastern District of Pennsylvania.

Dated: October 31, 2024

**DUANE MORRIS LLP**

By: /s/ Luke P. McLoughlin  
Luke P. McLoughlin  
Alan C. Kessler

*Counsel for Defendants Prospect Medical Holdings, Inc. and Prospect Crozer, LLC*



**CERTIFICATE OF SERVICE**

I, Luke P. McLoughlin, hereby certify that a true and correct copy of *Defendants' Notice of Removal* was served on this date via U.S. First Class Mail and e-mail, upon all parties of record and Plaintiff's counsel:

**MICHELLE A. HENRY**  
**ATTORNEY GENERAL**  
1600 Arch Street Suite 300  
Philadelphia, PA 19103  
attn: James Donahue, Esq.

/s/ Luke P. McLoughlin  
Luke P. McLoughlin

Dated: October 31, 2024